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ASCS Commodity Fact Sheet

SUGARBEETS AND SUGARCANE

Summary of 1989
Crop Loan Program

United States Department of Agriculture

Agricultural Stabilization and Conservation Service

January 1990

LEGISLATIVE AUTHORITY AND PROGRAM OBJECTIVE

The Agricultural Act of 1949, as amended, (the 1949 Act) requires the Secretary of Agriculture to support the price of (1) domestically grown sugarcane through nonrecourse loans at such a level as the Secretary determines appropriate, but not less than 18.0 cents per pound for raw cane sugar for the 1989 crop, and (2) domestically grown sugarbeets through nonrecourse loans at such a level as the Secretary determines to be fair and reasonable in relation to the loan level for sugarcane.

Because sugarcane and sugarbeets must be processed into sugar before any reliable valuation can be assigned, administration of the sugar loan program must involve processors.

LOAN PROGRAM

Under the 1989 crop loan program, the USDA's Commodity Credit Corporation (CCC) offers price support loans for raw cane and beet sugar processed from domestically grown sugarcane and sugarbeets between July 1, 1989, and June 30, 1990.

Sugar loans are available from October 1, 1989 through June 30, 1990. Loans are made for six months, but all loans must mature by the end of the 1990 fiscal year--September 30, 1990.

NATIONAL AVERAGE LOAN RATES

Raw Cane Sugar	18.00 cents per pound
Refined Beet Sugar	21.54 cents per pound

Regional Loan Rates:

Regional loan rates are based on the actual regional freight costs for the most recent marketing year between the individual production regions and their respective normal destinations.

Processing Region and Sugar Type	Regional Loan Rate 1/ (Cents per Pound)
Raw Cane Sugar:	
Florida	17.73
Louisiana	18.23
Texas	18.03
Hawaii	17.46
Puerto Rico	17.06
Weighted National Average	17.75

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Refined Beet Sugar:

1 - Michigan and Ohio	22.12
2 - Minn. and E half N. Dakota	21.25
3 - Colorado, Neb. and SE quarter of Wyoming	21.24
4 - Texas	21.72
5 - Montana, NW quarter of Wyoming, W half of N. Dakota	21.17
6 - Idaho east of eastern boundary of Owyhee County and such boundary extended northward	20.61
7 - Idaho west of eastern boundary of Owyhee County and such boundary extended northward; Oregon	20.61
8 - California	21.34
Weighted National Average	21.24

1/ These loan rates and national averages reflect a 1.4 percent reduction of the calculated rates to reduce program outlays as mandated by the Omnibus Budget Reconciliation Act of 1987.

Regional Support Prices:

Processors who execute a note, security agreement, and storage agreement, in order to be eligible to receive sugar loans, as prescribed by the CCC, shall be required to pay eligible producers a minimum price for sugarcane or sugarbeets delivered for processing.

State and Region	Support Prices 1/ ($ per net ton) 2/
Sugarcane:	
Florida	25.02
Louisiana	21.13 3/4/
	23.18 5/
Texas	17.40 3/
Hawaii	22.57
Puerto Rico	16.77 3/
Sugarbeets:	
Region	
1	28.07
2	31.24
3	31.79
4	33.82
5	31.73
6	31.59
7	31.59
8	32.54

1/ These prices reflect a 1.4 percent reduction in order to reduce program outlays as mandated by the Omnibus Budget Reconciliation Act of 1987.
2/ Net ton is gross weight less dirt, leaves, trash and other extraneous material.
3/ Dollars per gross ton.
4/ With core sampler.
5/ Without core sampler.

This Program or Activity Will Be Conducted on a Nondiscriminatory Basis Without Regard to Race, Color, Religion, National Origin, Age, Sex, Marital Status, or Disability.